

**BOARD OF COUNTY COMMISSIONERS
AGENDA ITEM SUMMARY**

Meeting Date: November 16, 2005
Bulk Item: Yes XX No

Division: County Attorney
Staff Contact Person: Pedro Mercado

AGENDA ITEM WORDING:

Approval of waiver of County purchasing policy for purchase of Builder's Risk Insurance.

ITEM BACKGROUND:

At last month's B.O.C.C. meeting, The Morganti Group was awarded the Construction Manger At Risk contract for the renovation and expansion of the Key West International Airport. The contract specifies that the County shall be responsible for the purchase of the Builder's Risk Insurance. The County currently uses Marsh USA as its insurance agent and it would be to the County's benefit, based on the recommendation of the County's Risk Management Consultant (see attachment), to waive its purchase policy and purchase Builder's Risk Insurance through Marsh USA.

PREVIOUS RELEVANT BOCC ACTION:

Approved the award of the Construction Manager at Risk contract to The Morganti Group.

CONTRACT/AGREEMENT CHANGES:

N/A

STAFF RECOMMENDATIONS:

Approval

TOTAL COST: \$375,000.00

BUDGETED: Yes X No

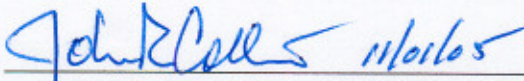
COST TO COUNTY: \$375,000.00

SOURCE OF FUNDS: Ad-Valorem

REVENUE PRODUCING: Yes No **AMOUNT PER MONTH** **Year**

APPROVED BY: County Atty  OMB/Purchasing Risk Management

DIVISION DIRECTOR APPROVAL:


JOHN R. COLLINS, COUNTY ATTORNEY

DOCUMENTATION: Included Not Required

DISPOSITION:

AGENDA ITEM #

INTERISK CORPORATION

Consultants

Risk Management
Employee Benefits

1111 North Westshore Boulevard
Suite 208
Tampa, FL 33607-4711
Phone (813) 287-1040
Facsimile (813) 287-1041

November 1, 2005

Mr. Pedro Mercado, Esq.
Monroe County
502 Whitehead St.
Key West, Florida 33040

Subject: Builders Risk for the Construction of the Key West International Airport Terminal

Dear Pedro:

In order to protect the construction of the new Key West International Airport Terminal, a Builders Risk Insurance policy will need to be obtained. The policy will reimburse the County (subject to policy terms and conditions) in the event that the facility is damaged during construction.

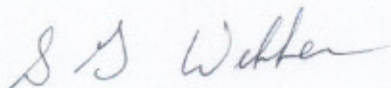
The policy needs to be purchased either by the General Contractor (Construction Manager) or by the County. If the General Contractor purchases the policy, it will become a reimbursable cost of the project. However, the General Contractor will maintain control of the policy. If the project is delayed, the Contractor could let the policy lapse and the County's investment would be uninsured. It is therefore recommended that the County purchase the Builders Risk insurance for the project.

It is also recommended that the County's Purchasing procedures be waived and allow Marsh USA (the County's current Property Insurance agent) to place the coverage. By doing so, Marsh can use the cost of the County's Property Insurance to obtain more favorable pricing for the Builders Risk. In addition, it will allow for a smoother transition from the Builders Risk to the master Property Program once the facility is complete.

As always, please do not hesitate to call if you have any questions.

Cordially,

INTERISK CORPORATION



Sidney G. Webber
CPCU, ARM